

Resolution No. 397 November 18, 2014

Amending Resolution No. 286 Of 1968, Adopted February 13, 1969, Imposing Taxes On Sales And Uses Of Tangible Personal Property And Of Certain Services And On Occupancy Of Hotel Rooms And On Amusement Charges, Pursuant To Article 29 Of The Tax Law Of The State Of New York, As Amended By Resolution No. 164 Adopted July 8, 1971, Resolution No. 18 Adopted February 8, 1973, Resolution No. 211 Adopted June 10, 1976, Resolution No. 445 Adopted December 14, 1976, Resolution No. 183 Adopted August 12, 1993, Resolution No. 211 Adopted August 10, 1995, Resolution No. 240 Adopted August 14, 1997, Resolution No. 245 Adopted August 12, 1999, Resolution No. 260 Adopted August 22, 2001, Resolution No. 218 Adopted July 30, 2003, Resolution No. 246 Adopted August 31, 2005, Resolution No. 272 Adopted July 31, 2007, Resolution No. 247 Adopted August 12, 2009, Resolution No. 177 Adopted August 16, 2011, And Resolution No. 9 Adopted January 22, 2014 To Increase The Rate Of Sales And Compensating Use Taxes

Referred to: The Ways and Means Committee (Chairman Gerentine and Legislators Bartels, Belfiglio, Briggs, Maio, Maloney, Provenzano, and Rodriguez)

Chairman of the Ways and Means Committee, Richard A. Gerentine, and Deputy Chairman Tracey A. Bartels offer the following:

WHEREAS, Resolution No. 286 of 1968 imposes taxes on sales and uses of tangible personal property, and on various charges and services as set forth therein; and

WHEREAS, said Resolution No. 286 of 1968 has been amended on various occasions, as set forth in the title of this resolution; and

WHEREAS, Chapter 2 of the Laws of 2014 authorizes the County to impose an additional 1% rate of such taxes for the period January 1, 2015 through November 30, 2015; now, therefore, be it

RESOLVED, by the Ulster County Legislature, that Resolution No. 286 of 1968, as amended, be amended as follows:

Section 1. The first sentence of Section 2 thereof is amended to read as follows:

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On and after March 1, 1977, there is hereby imposed, and there shall be paid a tax of three percent upon, and for the period commencing February 1, 2014 and ending November 30, 2015, there is hereby imposed and there shall be paid an additional tax of one percent upon:

Section 2. Subdivision (h) of Section 3 thereof is amended to read as follows:

(h) With respect to the additional tax of one percent imposed for the period commencing February 1, 2014, and ending November 30, 2015, the provisions of subdivisions (a), (b), (c), (d) and (e) of this Section apply, except that for the purposes of this subdivision, all references in said subdivisions (a), (b), (c), and (d), to an effective date shall be read as referring to February 1, 2014, all references in said subdivision (a) to the date four months prior to the effective date shall be read as referring to October 1, 2013, and the reference in subdivision (b) to the date immediately preceding the effective date shall be read as referring to January 31, 2014. Nothing herein shall be deemed to exempt from tax at the rate in effect prior to February 1, 2014, any transaction which may not be subject to the additional tax imposed effective on that date.

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Section 3. Section 4 thereof is amended to read as follows:

Section 4. Imposition of compensating use tax.

(a) Except to the extent that the property or services have already been or will be subject to the sales tax under this enactment, there is hereby imposed on every person a use tax for the use within this taxing jurisdiction on and after February 1, 2014, except as otherwise exempted under this enactment, (A) of any tangible personal property purchased at retail, (B) of any tangible personal property (other than computer software used by the author or other creator) manufactured, processed or assembled by the user, (i) if items of the same kind of tangible personal property are offered by sale by him in the regular course of business or (ii) if items are used as such or incorporated into a structure, building or real property by a contractor, subcontractor or repairman in erecting structures or buildings, or building on, or otherwise adding to, altering, improving, maintaining, servicing or repairing real property, property or land, as the terms real property, property or land are defined in the real property tax law, if items of the same kind are not offered for sale as such by such contractor, subcontractor or repairman or other user in the regular course of business, (C) of any of the services described in paragraphs (1), (7) and (8) of subdivision (c) of Section Two, (D) of any tangible personal property, however acquired, where not acquired for purposes of resale, upon which any of the services described under paragraphs

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(2), (3) and (7) of subdivision (c) of Section Two have been performed, (E) of any telephone answering service described in subdivision (b) of Section Two and (F) of any computer software written or otherwise created by the user if the user offers software of a similar kind for sale as such or as a component part of other property in the regular course of business.

(b) For purposes of clause (A) of subdivision (a) of this Section, for the period commencing February 1, 2014, and ending November 30, 2015, the tax shall be at the rate of four percent and on and after December 1, 2015, the tax shall be at the rate of three percent, of the consideration given or contracted to be given for such property, or for the use of such property, including any charges for shipping or delivery, as described in paragraph three of subdivision (b) of Section One, but excluding any credit for tangible personal property accepted in part payment and intended for resale.

(c) For purposes of subclause (i) of Clause (B) of subdivision (a) of this Section, for the period commencing February 1, 2014, and ending November 30, 2015, the tax shall be at the rate of four percent, and on and after December 1, 2015, the tax shall be at the rate of three percent, of the price at which items of the same kind of tangible personal property are offered for sale by the user, and the mere storage, keeping, retention or withdrawal from storage of tangible personal property by the person who manufactured, processed or assembled such property shall not be deemed a taxable use by him.

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(d) For purposes of subclause (ii) of clause (B) of subdivision (a) of this Section, for the period commencing February 1, 2014, and ending November 30, 2015, the tax shall be at the rate of four percent, and on and after December 1, 2015, the tax shall be at the rate of three percent, of the consideration given or contracted to be given for the tangible personal property manufactured, processed or assembled into the tangible personal property the use of which is subject to tax, including any charges for shipping or delivery as described in paragraph three of subdivision (b) of Section One.

(e) Notwithstanding the foregoing provisions of this section, for purposes of clause (B) of subdivision (a) of this section, there shall be no tax on any portion of such price which represents the value added by the user to tangible personal property which he fabricates and installs to the specifications of an addition or capital improvement to real property, property or land, as the terms of real property, property or land are defined in the real property tax law over and above the prevailing normal purchase price prior to such fabrication of such tangible personal property which a manufacturer, producer or assembler would charge an unrelated contractor who similarly fabricated and installed such tangible personal property to the specifications of an addition or capital improvement to such real property, property or land.

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(f) For purposes of clauses (C), (D) and (E) of subdivision (a) of this section, for the period commencing February 1, 2014, and ending November 30, 2015, the tax shall be at the rate of four percent, and on and after December 1, 2015, the tax shall be at the rate of three percent, of the consideration given or contracted to be given for the service, including the consideration for any tangible personal property transferred in conjunction with the performance of the service and also including any charges for shipping and delivery of the property so transferred and of the tangible personal property upon which the service was performed as such charges are described in paragraph three of subdivision (b) of Section one.

(g) For purposes of clause (F) of subdivision (a) of this section, for the period commencing February 1, 2014, and ending November 30, 2015, the tax shall be at the rate of four percent, and on and after December 1, 2015, the tax shall be at the rate of three percent, of the consideration given or contracted to be given for the tangible personal property which constitutes the blank medium, such as disks or tapes, used in conjunction with the software, or for the use of such property, and the mere storage, keeping retention or withdrawal from storage of computer software described in such clause (F) by its author or other creator shall not be deemed a taxable use by such person.

Section 4. Paragraph (C) of subdivision (1) of Section 11 thereof is amended to read as follows:

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(C) With respect to the additional one percent tax imposed for the period beginning February 1, 2014, and ending November 30, 2015, in respect to the use of property used by the purchaser in this County prior to February 1, 2014.

Section 5. Section 14 thereof is amended to read as follows:

Section 14. Disposition of Revenue

(a) Net collections distributed to the County by the State Comptroller pursuant to subdivision (c) of Section 1261 of the Tax Law of the State of New York, including net collections from the additional one percent rate of sales and compensating use taxes imposed for the periods beginning September 1, 2002, and ending, November 30, 2013 and commencing February 1, 2014, and ending November 30, 2015, shall be set aside for County purposes and shall be available for any County purpose, except that such net collections shall be set aside or disposed of in accordance with the Sales Tax allocation agreement entered into by Ulster County and the City of Kingston (the "City") on January 18, 2006 and approved by the State Comptroller pursuant to section 1262 (c) of the Tax Law most recently for the period March 1, 2011, through February 29, 2016, during the period that such agreement is in effect. Such agreement provides as follows:

(1) 85.5% of such monies shall be set aside for County purposes and shall be available for any County purpose.

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(2) 11.5% of such monies shall be paid monthly directly to the City and the County shall pay such share of the monies to the City within seven work days after receiving the same from the State Comptroller.

(3)(a) 3% of such monies shall be allocated monthly or otherwise as provided by law, to the area of the County outside of the City, to be distributed among the towns and villages therein based upon full valuation.

(b) As used in this Section the following terms shall mean or include:

(1) Net collections. The moneys collected from a tax or taxes imposed pursuant to this enactment, after deducting therefrom expenses of administration and collection and amounts refunded or to be refunded.

(2) General town taxes. Taxes levied for any town purpose, including highways, upon the entire area of a town.

(3) Full valuation of real property. The assessed valuation of real property divided by the equalization rate as determined in accordance with Article Eight of the Real Property Tax Law.

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(4) Part-town activities. Activities of town government, including highway programs, which are chargeable to the area of the town outside of villages, exclusive of special district purposes, unless such special district is a fire protection district coterminous with the area of a town outside of villages.

Section 6. This enactment shall take effect January 1, 2015,

and move its adoption.

ADOPTED BY THE FOLLOWING VOTE:

AYES: 23 NOES: 0

Passed Committee: Ways and Means on November 12, 2014

FINANCIAL IMPACT:

\$23,085,589.00 – COUNTY-ANNUALIZED REVENUES FOR 12 MONTHS
\$ 3,105,079.00 – CITY OF KINGSTON-ANNUALIZED REVENUES-12 MOS
\$ 810,021.00 – TOWNS-ANNUALIZED REVENUES FOR 12 MONTHS

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STATE OF NEW YORK

ss:

COUNTY OF ULSTER

This is to certify that I, the undersigned Clerk of the Legislature of the County of Ulster have compared the foregoing resolution with the original resolution now on file in the office of said clerk, and which was adopted by said Legislature on the 18th Day of November, 2014, and that the same is a true and correct transcript of said resolution and of the whole thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of the County of Ulster this 19th Day of November in the year Two Thousand and Fourteen.

|s| Victoria A. Fabella
Victoria A. Fabella, Clerk
Ulster County Legislature

Submitted to the County Executive this
19th Day of November, 2014.

Approved by the County Executive this
20th Day of November, 2014.

|s| Victoria A. Fabella
Victoria A. Fabella, Clerk
Ulster County Legislature

|s| Michael P. Hein
Michael P. Hein, County Executive